



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Texas General Land Office Agency Update
Prepared for the House Land and Resource Management Committee
August 26, 2020

Mr. Chairman and Members,

The Texas General Land Office is pleased to offer this agency update to the committee. Much like the rest of Texas, the ongoing COVID-19 pandemic has brought unexpected challenges to the agency. We have navigated these unprecedented days in a virtual environment while maintaining the high quality of service and leadership Texans expect and deserve.

The Texas General Land Office has many diverse responsibilities. For the purposes of a general update of the agency's activities since the end of last session this document will cover the following:

- Distributions from the School Land Board (SLB) to the Available School Fund (ASF)
- Oil and Gas Revenue
- Veterans Nursing Homes
- Veterans Cemeteries
- Sabine-to-Galveston project
- Beach issues related to COVID
- Alamo Update

School Land Board Distributions

On July 16, 2020, the School Land Board (SLB) voted to release an additional \$300 million in FY 2020 from the Real Estate Special Fund Account (RESFA) to the Available School Fund (ASF). These additional funds will help the state provide greater support for public education in accordance with House Bill 3. This additional distribution in FY 2020 increases the SLB's total actual and projected fiscal 2020-2021 biennium distribution to the ASF and School Board of Education (SBOE) to a historic \$955 million.

Breakdown of the distribution :

- FY 2020 - \$610 million
- FY 2021 - \$345 million
- Total - \$955 million
 - \$900 million to the ASF
 - \$55 million to the SBOE

Oil and Gas Revenues

FY 2019 revenues generated from oil and natural gas exploration and production on Permanent School Fund (PSF) lands exceeded \$1 billion for the first time in the history of the Texas General Land Office. The record-breaking revenue can largely be attributed to the new development of oil and natural gas in the Delaware Basin (primarily located in Culberson, Jeff Davis, Loving, Pecos, Reeves, Ward, and Winkler counties).

In April 2020, the SLB approved policies to help mitigate the oil and gas crises due to the COVID-19 shutdown and an oversupply in the market. These policies granted an extension of up to a six-months on all drilling commitments made by lessees of PSF property during 2020, and a 90-day tolling on calculations for enforcing lease terminations for halting of production or failure to produce in paying quantities. Additional actions included adopting a policy addressing a waiver of penalties and interest on late royalty payments submitted from April 1, 2020 through June 30, 2020.

Texas State Veterans Homes

The state's veterans homes, managed by the Veterans Land Board (VLB), have been significantly impacted during the COVID pandemic. The VLB has worked closely with its third-party operators to ensure that all protocols issued by the Center for Disease Control, Texas Health and Human Services Commission, and Department of Veterans Affairs continue to be enforced at the Texas State Veteran Homes.

At the onset of COVID-19, the VLB immediately took proactive actions to mitigate the spread of the virus and closed visitation to family members only. Later, state and nationwide directives recommended prohibiting *all* visitors, including family members, from entering nursing facilities, with the VLB immediately adopting these policies.

The VLB has ensured all personnel and staff in the home have been issued ample PPE. Additionally, the VLB has required residents who have come into close contact with individuals testing positive to be placed in isolation. Strict protocols for treating COVID-19 positive residents have been implemented as we continue to provide the highest quality of care for our Veterans. Residents and staff are tested twice per month if they are negative for COVID. Weekly testing is conducted when a positive case is identified.

As a further precaution, the VLB required our operators to ensure all staff and vendors undergo temperature checks and acknowledge that they did not exhibit symptoms of COVID-19, prior to being allowed entry to a VLB facility. Additional measures implemented by the VLB and our operators included:

- Procurements of hand sanitizer, COVID-19 test kits, and PPE when, and if, such supplies became available.
- Required operator to provide the VLB with a COVID-19 action plan for all VLB Homes under their jurisdiction.
- Limit staff entry to one entrance in the building to ensure accurate monitoring.
- Require vendors entering the facility to disclose if they have been to a COVID- 19 positive location prior to entering a TSVH facility.
- Suspend all staff travel.
- Suspend all non-emergency construction or repairs.
- Require any newly admitted or readmitted residents be placed in quarantine for 14 days.
- Implementation of daily COVID-19 Task Force conference calls for Homes impacted, consisting of appropriate VA staff, including treating physicians, VLB/GLO executive staff, Nursing Home executive staff, and a representative from the Texas Department of State Health Services.
- Requests made to the Department of Veterans Affairs to immediately transfer residents testing positive for COVID-19 to VA hospitals to prevent the spread of COVID-19 inside the facility.

Texas State Veterans Cemeteries

The Texas Veterans Land Board has taken steps to prevent the spread of COVID-19 at all four Texas State Veterans Cemeteries. The Central Texas State Veterans Cemetery in Killeen and the Texas State Veterans Cemetery at Abilene are supplementing standard operating procedures, with the addition of social distancing and PPE requirements. However, due to current active COVID-19 cases, the Rio Grande Valley State Veterans Cemetery in Mission and the Coastal Bend State Veterans Cemetery in Corpus Christi continue to conduct direct burials only. This action, along with the enforcement of continued safety measures, is necessary to reduce the risk of cemetery personnel contracting the virus.

The following measures will be implemented based on local conditions for Mission and Corpus Christi:

- Only direct burials will be conducted.
- To ensure the safety of local all-volunteer Military Service Detachments and Department of defense military honors teams, no military honors will be conducted at this time.
- Family and next-of-kin may have services and military honors conducted later.
- All VLB Cemetery administrative offices are closed to in-person customer contact.
- Enhanced cleaning measures in line with the Center for Disease Control and the World Health Organization's recommendations are in place.
- Cemetery staff must wear a face mask or covering and practice appropriate social distancing measures.

Coastal

The Coastal Division of the Texas General Land Office deals with a variety of coastal and beach-related issues for the state of Texas. The division's primary responsibilities include oil spill response and clean up, beach access, coastal protection, and beach erosion.

During the interim the Coastal Division of the Texas General Land Office has been working on the following:

- Negotiating agreements to allocate funds appropriated by SB 500 to the three drainage districts located in Brazoria County, Jefferson County, and Orange County as part of the Army Corps of Engineers' Sabine to Galveston project (see below).
- Working with local jurisdictions on beach access along the coast during the Coronavirus epidemic.
- Assisting counties affected by Hurricane Hanna, specifically beach cleanup and debris removal.

SB 500

The Congressional Bipartisan Budget Act of 2018 appropriated \$4 billion to the Army Corps of Engineers to improve two levee systems located in Brazoria County and Jefferson County and construct a new levee in Orange County. Collectively this project is known as the Sabine to Galveston project. The \$4 billion is enough to fully fund the construction of these projects; however, 35% of these funds must be paid back by a nonfederal construction sponsor. The 35% cost-share can be paid back over a 30-year period after construction is completed. However, in order to avoid accruing interest on the cost-share, the funds need to be paid during construction.

The 86th Legislature passed SB 500, which appropriated \$200 million to the GLO to act as a pass-through agency to cover a portion of the 35% cost-share. While the Texas General Land Office paid for half of the study that formulated these projects, the Sabine to Galveston Study, it is not the nonfederal construction sponsor. The GLO is working with the three drainage districts located in

the aforementioned counties on agreements to ensure they receive the funds appropriated by the Legislature.

The breakdown of estimated construction costs for each levee system is as follows:

- Orange county (new system)
 - Federal cost=\$1,536,291,000
 - Nonfederal cost=\$827,233,000
- Jefferson county (improvements to existing system)
 - Federal cost=\$573,220,000
 - Nonfederal cost=\$308,657,000
- Brazoria (improvements to existing system)
 - Federal cost=\$462,626,000
 - Nonfederal cost=\$249,107,000

In order to officially be a nonfederal sponsor, an entity, in this case Brazoria, Jefferson, and Orange counties, must each separately sign a Project Partnership Agreement (PPA) or a Design Agreement (DA) with the Corps. These agreements outline what type of work-in-kind activities will be credited toward the 35% cost-share and the responsibilities of the participants. Once signed, the GLO will then enter into a Local Cooperation Agreement (LCA) with each district to spell out the terms by which the appropriated funds are release for their portion of the cost-share.

Jefferson County Drainage District 7 (DD7) executed a PPA with the Corps and an LCA with the GLO in November 2019. The GLO has spent \$38 million to cover Jefferson County Drainage District 7's cost-share. We are anticipating an additional request from DD7 of approximately \$58 million soon.

Brazoria County Velasco Drainage District (Velasco) is currently negotiating their PPA with the Corps. The GLO has been simultaneously negotiating an LCA with Velasco during this time. This is the same approach the GLO took with DD7.

Orange County and the Army Corps of Engineers are currently negotiating a Design Agreement for the Orange County levee system. This agreement, which is binding, is meant to serve as a placeholder for the previously mentioned PPA. During the Interim, the GLO has been working with the Governor's office and members of our federal congressional delegation throughout this process to support Orange County. We are hopeful that the Design Agreement with the Corps as well as similar LCA with the GLO, will be signed this month.

Beach Access

COVID-19 has presented our beach communities with unprecedented challenges. Following the Governor's disaster declaration for COVID-19, the GLO deferred decisions on restricting access to beaches to local jurisdictions. Although notice of those restrictions must be provided to the GLO, due to the COVID-19 emergency, local jurisdictions have authority under their existing public health and safety powers to restrict access to beaches as one of a number of steps they are taking to combat the virus.

The GLO is actively monitoring any beach access restrictions that have been implemented by local governments in response to COVID-19. We have been in discussions with all the coastal jurisdictions to address these issues, and as each jurisdiction is facing unique challenges, they have been handling their response to the situation in various ways. If we see any attempted local

restrictions that are based on decisions outside the realm of public health and safety, the GLO is prepared to intervene to protect public access to the beach.

Hurricane Hanna

Hanna made landfall on Padre Island, Texas on July 25 as a Category 1 hurricane. There were no reported deaths in Texas as a result of the storm; however, it did cause minor damage to larger structures and serious damage to many smaller buildings. Over 50,000 people lost power due to the storm.

At this time, it does not appear Hanna did enough damage to qualify for federal assistance. However, Hanna did destroy Bob Hall Pier, significantly damaged a nearby parking lot and dumped a fair amount of debris along some of the area's beaches. The GLO is responsible for both the beach debris removal and the damage to the parking lot. Because Bob Hall Pier was leased by the GLO to Nueces County, the county is responsible for that project. The agency is currently bidding the work out for the cleanup of the parking lot with our pre-positioned contractors. Our goal is to have this debris removed by Labor Day.

We continue to assist the county as needed for the removal of the Bob Hall Pier debris.

Alamo

The legislature transferred the management and preservation of the Alamo to the Texas General Land Office in 2011. The agency in 2015, under the leadership of Commissioner George P Bush, began the mission to preserve and enhance the Alamo for all of Texas and her future generations. Much progress has been made: Alamo Plaza was reunified with the Alamo Church and Long Barrack, and efforts began to reclaim the historic 1836 Battlefield.

Archeological efforts relating to the preservation and restoration of the sole remaining structures from the Battle of 1836, the Alamo Church and Long Barrack, are coming to a close, and additional of Alamo Plaza is underway. In the past year engineers and scientists have deployed the best analytical techniques available to assess these icons of the Texas revolution. The assessment discovered that the Church and Long Barrack have very serious problems customary for such structures between 100 and 300 years of age. A preservation plan based on their recommendations has been developed that will be implemented later this year.

In addition, recent steps have been taken to conserve three historic cannons. After the conservation process is complete, each cannon will be loaned to the Alamo and put on display in addition to the six conserved cannons currently on display in the Alamo Arcade.

The full realization and implementation of the Alamo Plan is contingent on the Texas Historical Commission's (THC) September 22nd vote. The THC will grant the City of San Antonio the permits necessary to repair and relocate the Cenotaph at that meeting. These permits will allow the Alamo plan to continue moving forward with restoring dignity and reverence to the shrine of Texas liberty.